

**SETTLEMENT AGREEMENT AND RELEASE UNDER
THE CALIFORNIA LABOR CODE PRIVATE ATTORNEYS GENERAL ACT**

This Settlement Agreement and Release Under the California Labor Code Private Attorneys General Act (“Agreement”) is made by and between Tepring Piquado (“Plaintiff”), on behalf of herself and the State of California, on the one hand, and The RAND Corporation (“Defendant”), on the other hand. Plaintiff and Defendant are collectively referred to herein as “Parties.” This Agreement is based on the following facts:

A. **Whereas**, on March 22, 2022, Plaintiff filed a Complaint against Defendant in Los Angeles Superior Court (“Court”), captioned *Tepring Piquado v. The RAND Corporation*, No. 22STCV97361 (“Action”).

B. **Whereas**, on October 27, 2022, Plaintiff filed a First Amended Complaint against Defendant in the Action, alleging that Defendant is liable for civil penalties under the Private Attorneys General Act (“PAGA”), California Labor Code section 2698 *et seq.* Plaintiff’s PAGA cause of action is brought on behalf of herself and other employees for Defendant’s alleged misclassification of them as independent contractors. Specifically, the PAGA claim alleged in the Action concerns individuals who were employed by Defendant, who subsequently entered into at least one independent-contractor agreement with Defendant, and who performed work for Defendant pursuant to that agreement on or after January 25, 2021. January 25, 2021, is one year before the date that Plaintiff provided written notice to the LWDA of her PAGA theory, and these individuals are referred to herein as the “Allegedly Aggrieved Employees.”

C. **Whereas**, in connection with responding to discovery in the Action, Defendant has identified a total of seventeen Allegedly Aggrieved Employees, inclusive of Plaintiff.

D. **Whereas**, Defendant denies all of the allegations made by Plaintiff in the Action, and denies having committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct.

E. **Whereas**, the Action involves arguable questions of fact and law, and the Parties desire to settle the PAGA cause of action. The within Agreement covers only the PAGA cause of action; Plaintiff’s other causes of action asserted in the Action—all of which are brought in her individual capacity—are addressed by a separate settlement agreement.

F. **Whereas**, the Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of the PAGA cause of action, that it is the desire and intention of the Parties to effect a final and complete resolution of that cause of action, and that the settlement of the PAGA cause of action is subject to the Court’s approval. The Parties further acknowledge that this Agreement is a compromise of disputed claims, and that nothing in this Agreement shall be construed as an admission of liability by the Parties.

G. **Whereas**, the Parties believe and agree that this Agreement provides a fair, adequate, and reasonable resolution of the PAGA cause of action, and that they have arrived at the settlement embodied in this Agreement through arms’ length negotiations, taking into account all

relevant factors, present and potential.

H. **Whereas**, California law provides that the California Labor and Workforce Development Agency (“LWDA”) may assess and collect civil penalties from “employers” for violations of certain provisions of the Labor Code. *See* Cal. Lab. Code § 2699(a). California law also provides that, if an “aggrieved employee” duly complies with certain administrative-exhaustion requirements, the employee may, “as an alternative” to enforcement by the LWDA, bring a civil action under PAGA to recover civil penalties for the benefit of the LWDA. *See id.* “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the [State] . . . and 25 percent to the aggrieved employees.” *Id.* § 2699(i).

I. **Whereas**, California Labor Code section 2699(l) requires court approval of any settlement of any PAGA claim.

J. **Whereas**, because any settlement of Plaintiff’s PAGA cause of action in the Action must be reviewed and approved by the Court, the Parties understand, acknowledge, and agree that this Agreement is conditioned on judicial approval thereof.

Therefore, in consideration of the promises and agreements contained herein, and in order to resolve Plaintiff’s alleged PAGA cause of action in the Action, and for no other purpose, the Parties agree and covenant as follows:

1. **SETTLEMENT SUM.**

In exchange for the limited release set forth in section 3 of this Agreement, Defendant agrees to pay the total sum of \$5,000.00 (“PAGA Fund”) to the State of California and to the Allegedly Aggrieved Employees, inclusive of the third-party settlement administrator’s charges. Defendant agrees to pay the PAGA Fund only after both of the following conditions have been met: (1) the Parties have signed this Agreement, and (2) the Court has granted approval of this Agreement.

Pursuant to section 2699 of the Labor Code, a total of approximately \$3,750.00 (i.e., 75%) of the PAGA Fund (after deductions for the third-party settlement administrator’s charges) shall be paid to the LWDA (“LWDA PAGA Payment”). Defendant shall pay the LWDA PAGA Payment from the PAGA Fund within seven calendar days after the date that the Court approves this Agreement. Also pursuant to section 2699, approximately \$1,250.00 (i.e., 25%) of the remaining PAGA Fund shall be paid to the Allegedly Aggrieved Employees (“Worker PAGA Payment”). Defendant shall pay the Worker PAGA Payment by check to the Allegedly Aggrieved Employees, including Plaintiff.

The entire Worker PAGA Payment shall be divided pro rata among the Allegedly Aggrieved Employees, based on the number of pay periods that each worked for Defendant during the period of time since January 25, 2021. Since the PAGA Fund constitutes civil penalties, the amounts paid from the Worker PAGA Payment shall be issued via an IRS Form 1099. As recited above, Defendant estimates that there are seventeen Allegedly Aggrieved Employees, inclusive of Plaintiff.

Within fourteen calendar days of the Court's approval of this Agreement, Defendant shall provide each Allegedly Aggrieved Employee's last-known name, last-known address, Social Security number, and last-known telephone number ("Employee Data") to a third-party administrator that has been mutually agreed to by the Parties. Within fourteen calendar days of receiving the Employee Data, the third-party administrator shall use the United States Postal Service National Change of Address List to locate updated addresses for each Aggrieved Employee. Any mailed checks that are returned as non-delivered shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the third-party administrator shall promptly attempt to determine a correct address by lawful use of a robust skip-tracing procedure or other search. All costs of the third-party administrator shall be deducted from the PAGA Fund before calculating the LWDA PAGA Payment and the Worker PAGA Payment.

Notwithstanding the foregoing, the check for the Worker PAGA Payment to Plaintiff shall be sent via U.S. Mail to a mailing address provided by counsel for Plaintiff to counsel for Defendant within fourteen calendar days of the Court's approval of this Agreement.

A letter substantially in the form of **Exhibit 1** hereto will be included with each Allegedly Aggrieved Employee's check for his or her share of the Worker PAGA Payment.

Settlement checks issued to the Allegedly Aggrieved Employees will expire 180 calendar days from the date that they are issued. Any unclaimed funds after that period shall be remitted by Defendant to the LWDA. Accordingly, none of the PAGA Fund will revert to Defendant.

2. NO ATTORNEYS' FEES OR COSTS DEDUCTED FROM PAGA FUND.

Plaintiff agrees not to seek any amounts from the PAGA Fund for attorneys' fees or costs. Accordingly, the only deduction from the PAGA Fund contemplated by this Agreement is a deduction for the costs of the third-party administrator.

3. LIMITED RELEASE.

Upon the date that the Court grants approval of this Agreement, each Allegedly Aggrieved Employee (inclusive of Plaintiff), on behalf of themselves and their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, and guardians, as well as the State of California, shall be deemed to have fully released and forever discharged any and all claims against Defendant and Defendant's current and former subsidiaries, parents, affiliates, predecessors, insurers, agents, employees, successors, assigns, officers, officials, directors, managing agents, attorneys, human-resources representatives, payroll representatives, personal representatives, executors, and shareholders, including their respective pension, profit-sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries, for civil penalties under PAGA that were or could have been brought based on the facts and theories asserted in Plaintiff's First Amended Complaint or in her January 25, 2022, written notice to the LWDA.

It is expressly understood and agreed that this release does not apply to any transaction, cause, event, matter, or thing whatsoever that occurs, arises out of, or results from any act or event occurring after the date of the full execution of this Agreement. Furthermore, it is expressly understood and agreed that this release does not absolve Defendant from liability, if any, to the Allegedly Aggrieved Employees for any claims they may assert against Defendant other than those seeking civil penalties through PAGA.

4. COURT APPROVAL.

Should the Court not approve this Agreement, Defendants shall have no obligation to pay the PAGA Fund.

In connection with requesting the Court's approval of this Agreement, the Parties shall file a stipulation and proposed order for approval of this Agreement, with the proposed order substantially in the form attached hereto as **Exhibit 2**, within fourteen calendar days after full execution of this Agreement.

5. **REPRESENTATIONS AND WARRANTIES.** The Parties represent and warrant that they each have the sole right and exclusive authority to execute this Agreement, and that they have not sold, assigned, transferred, conveyed, pledged, or otherwise disposed of any claim, interest, demand, or legal right that is the subject of this Agreement. Each Party also represents and warrants as follows:

a. Each Party has carefully read, and knows and understands, the full contents of this Agreement, and is voluntarily entering into this Agreement after having the opportunity to receive independent legal advice from her or its attorneys with respect to the advisability of executing this Agreement.

b. Each Party to this Agreement has investigated the facts relevant to this settlement and this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary.

6. **ENFORCEMENT OF AGREEMENT.** The rights and obligations of the Parties and of the Allegedly Aggrieved Employees under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice-of-law analysis under state or federal law would dictate that another forum's law be applied.

In addition, the Parties agree that the state and federal courts located in California shall have exclusive jurisdiction over the Parties for all purposes relating to the implementation and effectuation of this Agreement, and that the Court shall retain jurisdiction over the Action, the Parties, and the Allegedly Aggrieved Employees for purposes of supervising, implementing, enforcing, construing, administering, and interpreting this Agreement, as well as any matters related or ancillary to the foregoing, including under California Code of Civil Procedure section 664.6 and all federal equivalents. Any Party prevailing in any action to enforce the terms of this Agreement, other than in connection with seeking approval as set forth in section 4 of this

Agreement, shall be entitled to such Party's reasonable attorney's fees and costs.

7. **COOPERATION.** The Parties, on behalf of themselves and their respective business entities, heirs, executors, and assigns, agree that they will abide by this Agreement and will do all such acts—including preparing, executing, and delivering all such documents—as may be reasonably required to carry out this Agreement.

8. **SEVERANCE.** If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions.

9. **NON-ADMISSION OF WRONGDOING.** The Parties agree that this Agreement does not constitute an admission by any of them of any wrongdoing. Nothing in this Agreement shall be construed to be, or shall be, admissible in any proceeding as evidence of liability or wrongdoing by the Parties or any of their respective parents, subsidiaries, divisions, affiliated corporations, trustees, directors, officers, shareholders, agents, contractors, attorneys, insurers, or employees. However, this Agreement may be offered and received in evidence for purposes of enforcing the Agreement and the settlement contemplated therein.

In the event that approval of the Agreement is not obtained, the Parties shall be returned to their respective positions as to the PAGA cause of action asserted in the Action. Furthermore, nothing said or represented in connection with obtaining approval by the Court with respect to this Agreement shall be admissible for any purpose other than to obtain approval by the Court of this Agreement, and to interpret or enforce the terms of this Agreement.

10. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the Parties with respect to the matters set forth herein, and it supersedes any prior agreements or understandings among them. The Parties acknowledge that they have not relied on any representations, promises, or agreements of any kind made to them in connection with their decision to accept the terms of this Agreement, except for the representations, promises, and agreements herein.

11. **ADDITIONAL TERMS.**

a. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, contractors, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

b. Given that all Parties have had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

c. This Agreement may be executed in counterparts. A signature by way of facsimile or .pdf shall serve as an original for all purposes.

d. Headings in this Agreement are included solely for convenience and shall not control the meaning or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Agreement and Release as of dates set forth below.

Dated: 10 / 24 / 2023 _____

Tepring Piquado

Tepring Piquado

Dated: _____

The RAND Corporation
Robert M. Case
Vice President and General Counsel

Approved as to form:

Dated: 10 / 25 / 2023 _____

David Zelenski

ZELENSKI LAW, PC
David Zelenski
Abigail Zelenski
Attorneys for Tepring Piquado

Dated: _____

SEYFARTH SHAW LLP
Eric M. Steinert
Mandana Massoumi
Attorneys for The RAND Corporation

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d. Headings in this Agreement are included solely for convenience and shall not control the meaning or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Agreement and Release as of dates set forth below.

Dated: _____

Tepring Piquado

Dated: Oct-26-2023

DocuSigned by:

178AC44590FC457...

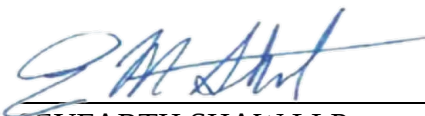
The RAND Corporation
Robert M. Case
Vice President and General Counsel

Approved as to form:

Dated: _____

ZELENSKI LAW, PC
David Zelenski
Abigail Zelenski
Attorneys for Tepring Piquado

Dated: 10-26-23



SEYFARTH SHAW LLP
Eric M. Steinert
Mandana Massoumi
Attorneys for The RAND Corporation

EXHIBIT 1

Name
Street Address
City, State, and Zip Code

Employee's Name:

On _____, 2023, the Los Angeles Superior Court granted approval of a settlement of a representative claim for civil penalties brought in a lawsuit by Tepring Piquado against The RAND Corporation ("RAND"). The lawsuit is titled *Tepring Piquado v. The RAND Corporation*, Los Angeles Superior Court Case No. 22STCV08371.

In the lawsuit, Dr. Piquado contends that individuals who were employed by RAND, who subsequently entered into at least one independent-contractor agreement with RAND, and who performed work for RAND pursuant to that agreement on or after January 25, 2021, are entitled to a portion of civil penalties owed under the Private Attorneys General Act ("PAGA"), section 2698 *et seq.* of the California Labor Code, for an alleged misclassification of them by RAND as independent contractors ("Allegedly Aggrieved Employees").

The Court has not made a determination about the merits of Dr. Piquado's civil-penalties claim, and RAND denies any liability or wrongdoing. Instead, Dr. Piquado and RAND have agreed to settle the civil-penalties claim. In connection with that settlement, RAND has agreed to establish a settlement fund to pay civil-penalty amounts allegedly owed to the State of California, a portion of which is to be shared under PAGA by the Allegedly Aggrieved Employees. You are receiving this letter because, according to RAND's records, you fall within the above definition of "Allegedly Aggrieved Employees."

Please note that you are NOT being sued in the lawsuit. Instead, you are receiving this letter because you are entitled to a portion of the settlement fund described in the preceding paragraph. Enclosed with this letter is a check in the amount of \$_____, which represents your share of the settlement fund.

EXHIBIT 2

1 ZELENSKI LAW, PC
2 Abigail A. Zelenski (SBN 228610)
3 abigail@zelenskilaw.com
4 David Zelenski (SBN 231768)
5 david@zelenskilaw.com
6 201 North Brand Boulevard, Suite 200
7 Glendale, California 91203
8 Telephone: (323) 409-0361

9 LAW OFFICE OF DOMINIC J. MESSIHA, PC
10 Dominic J. Messiha (SBN 204544)
11 Dominic@MessihaLegal.com
12 11601 Wilshire Boulevard, Suite 500
13 Los Angeles, California 90025
14 Telephone: (310) 575-1815
15 Facsimile: (310) 575-1890

16 *Attorneys for Plaintiff Tepring Piquado*

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

TEPRING PIQUADO, individually and on behalf
of the State of California,

Plaintiff,

v.

THE RAND CORPORATION, a California
corporation; and DOES 1 through 10,

Defendants.

Case No. 22STCV08371

**[PROPOSED] ORDER AND JUDGMENT
GRANTING APPROVAL OF THE PARTIES'
SETTLEMENT AGREEMENT AND
RELEASE UNDER THE CALIFORNIA
LABOR CODE PRIVATE ATTORNEYS
GENERAL ACT**

*Assigned to the Honorable Maurice A. Leiter,
Department 54*

Complaint Filed: March 8, 2022

First Amended Complaint Filed: October 27, 2022

Having reviewed the Stipulation for Approval of the Parties' Settlement Agreement and Release
Under the California Labor Code Private Attorneys General Act, and good cause appearing, **IT IS**
HEREBY ORDERED that the PAGA Fund defined in the Agreement, including all payments from the
PAGA Fund that are described in that Agreement, represents a fair, reasonable, and adequate settlement

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1 of the civil-penalty cause of action asserted in the Action.¹

2 **IT IS FURTHER ORDERED** that the Court shall retain jurisdiction over the Action, the
3 Parties, and the Allegedly Aggrieved Employees for purposes of supervising, implementing, enforcing,
4 construing, administering, and interpreting the Agreement and this Order, as well as any matters related
5 or ancillary to the foregoing, including under California Code of Civil Procedure section 664.6. In
6 addition, **IT IS ORDERED** that the Parties are to submit a copy of this Order to the California Labor
7 and Workforce Development Agency within ten calendar days after entry of this Order.

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9 Dated: _____

10 Hon. Maurice A. Leiter
11 *Superior Court Judge*

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27 _____
28 ¹ Capitalized terms used herein have the meanings set forth in the Agreement, which is attached as
Exhibit 1 to the Stipulation for Approval of the Parties' Settlement Agreement and Release Under the
California Labor Code Private Attorneys General Act.